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TAGS: [PREL](#) [ETRD](#) [ECON](#) [BEXP](#) [PGOV](#) [BA](#)

SUBJECT: KING DISCUSSES TRADE, INVESTMENT WITH AMCHAM

Classified By: Ambassador William T. Monroe, reasons 1.4 (b) and (d)

1. (C) The Ambassador introduced the members of the board of the American Chamber of Commerce in Bahrain to King Hamad in a September 14 meeting that covered the U.S.-Bahrain Free Trade Agreement (FTA), Saudi WTO accession, investment in Bahrain, and economic reform. The King told the delegation that the FTA was a very positive development for both countries and represented a logical outcome of Bahrain's traditional openness to outside trade and investment. He said that the FTA had acted as a catalyst to spur Saudi Arabia to conclude negotiations with the U.S. on WTO accession. Growing receptivity in the Gulf to liberalize trade with the U.S. left Saudi Arabia with no alternative than to make the commitments necessary to win U.S. support for accession.

2. (SBU) The King said he wanted more Bahraini citizens to invest in Bahrain. Referring to Bahraini businessman and AmCham board member Khalid Al Zayani, the King said that Al Zayani was one of the few Bahrainis investing in his own country. Many of the other investors were from the outside. (Note: Mostly citizens from other GCC countries.) He noted that the government was taking steps to improve the investment climate in Bahrain.

3. (SBU) The King urged AmCham and broader Bahraini business support for GOB reforms. "The more businessmen can help us, the better it will be for them." AmCham President and Microsoft Country Manager Samir Benmakhlouf stated that Microsoft's local revenues had multiplied threefold since his arrival a few years earlier. The King responded that Microsoft's performance was commendable and symbolized the favorability of Bahrain's investment climate.

4. (SBU) The King praised strong U.S.-Bahraini bilateral relations and mentioned the "admiration and affection" Bahrainis feel for the United States. The King expressed his condolences for the devastation caused by Hurricane Katrina, saying, "what hurts you, hurts us."

MONROE